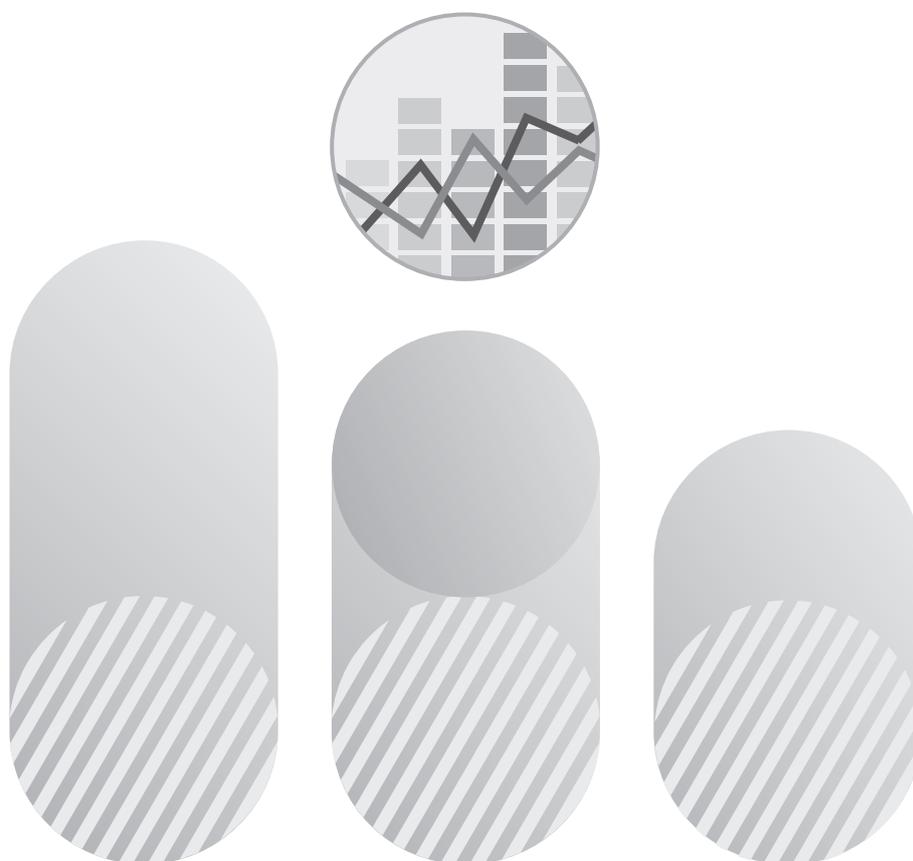




Financial results of economic entities in I–VI 2019 r.



Financial results of economic entities in I–VI 2019

Substantive study
Statistics Poland, Enterprises Department

under the direction of
Katarzyna Walkowska

Team of authors

Karol Pasiak, Magdalena Motkowska-Wójcik, Jerzy Bajorek, Elżbieta Pabijanek, Aneta Płatek, Lucyna Słomska

Content and graphic design

Magdalena Motkowska-Wójcik GUS
Paweł Luty ZWS

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Preface

This study is another edition of the publication which presents the results of the quarterly GUS non-financial enterprises survey included in the Programme of Statistical Surveys of Public Statistics in the subject 1.61.01 – report on revenues, costs and financial result as well as on outlays on fixed assets (F-01/I-01). This study covers entities with 10 persons employed and more, keeping accounting books.

The publication consists of an analytical part and methodological notes containing a description of the scope of the publication and definitions of basic concepts.

The analytical part contains a description of the results of the economic activity of non-financial enterprises in the period of January – June 2019 by type of conducted activity and in a territorial cross-section. Data on the number of enterprises, the number of persons employed and their financial results were analysed, including the value of revenues and costs, current assets and liabilities as well as investment outlays. Due to the importance of entities with foreign capital, a separate chapter of the publication is devoted to the analysis of entities with a predominance of foreign capital.

The analytical part is supplemented by a tabular annex, which is an integral part of this publication.

We hope that this publication will be a valuable source of information for analyses of the current economic situation of the country. We will be thankful for any comments and suggestions regarding the subject and structure of the study, which will allow us to enrich the content and better adapt subsequent editions of the publication to the needs of the recipients.

Director
Enterprises Department
/-/ Katarzyna Walkowska

Warsaw, October 2019

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Symbols

Symbol	Description
Hyphen (-)	magnitude zero
Zero (0,0)	magnitude not zero, but less than 0.05 of a unit
Sign x	not applicable
Sign #	data should not be published due to the necessity of maintaining statistical confidentiality in accordance with the Law on Official Statistics
„Including”	indicates that not all elements of the sum are given

Abbreviations

Abbreviation	Meaning
thous.	thousand
mln	milion
bn	billion
NACE	Statistical Classification of Economic Activities in the European Community

Abbreviations and full names by NACE section used in the publication

Abbreviation	Full name
Electricity, gas, steam and hot water production and supply	Electricity, gas, steam, hot water and air conditioning production and supply
Water supply; sewerage, waste management and remediation	Water supply; sewerage, waste management and remediation activities
Trade; repair of motor vehicles	Wholesale and retail trade; repair of motor vehicles and motorcycles
Accommodation and catering	Accommodation and food service activities
Real estate service	Real estate activities
Administration and support	Administrative and support service activities

Synthesis

In the first half of 2019, the financial results of the surveyed enterprises were higher than those achieved a year before. Revenues from total activity in the period of January-June 2019 were 6.7% higher than those achieved a year before, and the costs of obtaining them increased by 6.8%. Net revenues from sales of products, goods and materials increased by 7.0% in annual terms, and the costs of this activity by 7.4%.

The financial result from sale of products, goods and materials amounted to PLN 80.8 billion and was lower by 1.1% than in the first half of 2018. The financial result from other operating activities was at the level of PLN 6.7 billion and was lower by PLN 0.1 billion than a year before. The result on financial operations improved (PLN 4.4 billion compared to minus PLN 0.8 billion in the first half of 2018).

The gross financial result amounted to PLN 91.8 billion against PLN 87.7 billion a year ago, and its charges were at the level of PLN 14.9 billion (compared to PLN 14.3 billion). The net financial result amounted to PLN 76.9 billion and was higher by 4.8% than a year ago. The net profit amounted to PLN 94.4 billion and was higher by 3.1% than that achieved in the first half of 2018, and the net loss amounted to PLN 17.5 billion and decreased by 3.9%. Net profit was recorded by 72.5% of all enterprises, and the revenues obtained by them constituted 83.7% of revenues from total activity of the surveyed enterprises (compared to 81.6% a year before).

The cost level indicator for all enterprises was 94.9% (compared to 94.8% a year before), while the gross return on sales ratio decreased from 5.0% to 4.6%. The gross turnover profitability ratio also decreased from 5.2% to 5.1%, while the net turnover profitability ratio remained at the same level of 4.3%.

The first degree financial liquidity indicator amounted to 35.4% (compared to 36.6% a year before), and the second degree financial liquidity indicator 99.8% (compared to 101.8% a year before). A total of 53.0% of enterprises obtained the first degree liquidity indicator above 20%. The second degree liquidity indicator in the range from 100% to 130% was recorded by 11.8% of the surveyed enterprises.

From the group of enterprises covered by the survey, 36.7% showed net revenues from sales of products, goods and materials for export in the period of January-June 2019 (compared to 35.5% a year earlier). The level of revenues from export sales was by 9.3% higher than in the first half of 2018. The share of these revenues in the net revenues from sales of products, goods and materials of all surveyed entities increased from 23.3% to 23.8%. Among exporting units, net profit was reported by 76.8% of enterprises compared to 77.0% a year ago. The basic economic and financial relations of this group of enterprises slightly deteriorated and were similar for all surveyed enterprises.

In the period of January-June 2019, the investment outlays of the surveyed enterprises amounted to PLN 69.6 billion and were (at constant prices) 17.9% higher than a year before (in the first half of 2018 an increase of 11.0%; in 2018 an increase of 10.8% was recorded). Outlays on intangible assets amounted to PLN 3.7 billion and were by 15.3% higher than in the first half of 2018.

Chapter 1. Non-financial enterprises

The economic entities presented in this publication are NON-FINANCIAL ENTERPRISES - legal persons, entities excluding legal personality and natural persons conducting economic activity classified according to NACE Rev. 2 to the following sections:

- Mining and quarrying (section B),
- Manufacturing (section C),
- Electricity, gas, steam and air conditioning supply (section D),
- Water supply; sewerage, waste management and remediation activities (section E),
- Construction (section F),
- Wholesale and retail trade; repair of motor vehicles and motorcycles (section G),
- Transportation and storage (section H),
- Accommodation and food service activities (section I),
- Information and communication (section J - excluding cultural institutions with legal personality),
- Real estate activities (section L),
- Professional, scientific and technical activities (section M),
- Administrative and support service activities (section N),
- Education (section P - excluding universities),
- Human health and social work activities (section Q - excluding independent public health care facilities),
- Arts, entertainment and recreation (section R - excluding cultural institutions having legal personality),
- Other service activities (section S - excluding division 94 Activities of membership organizations).

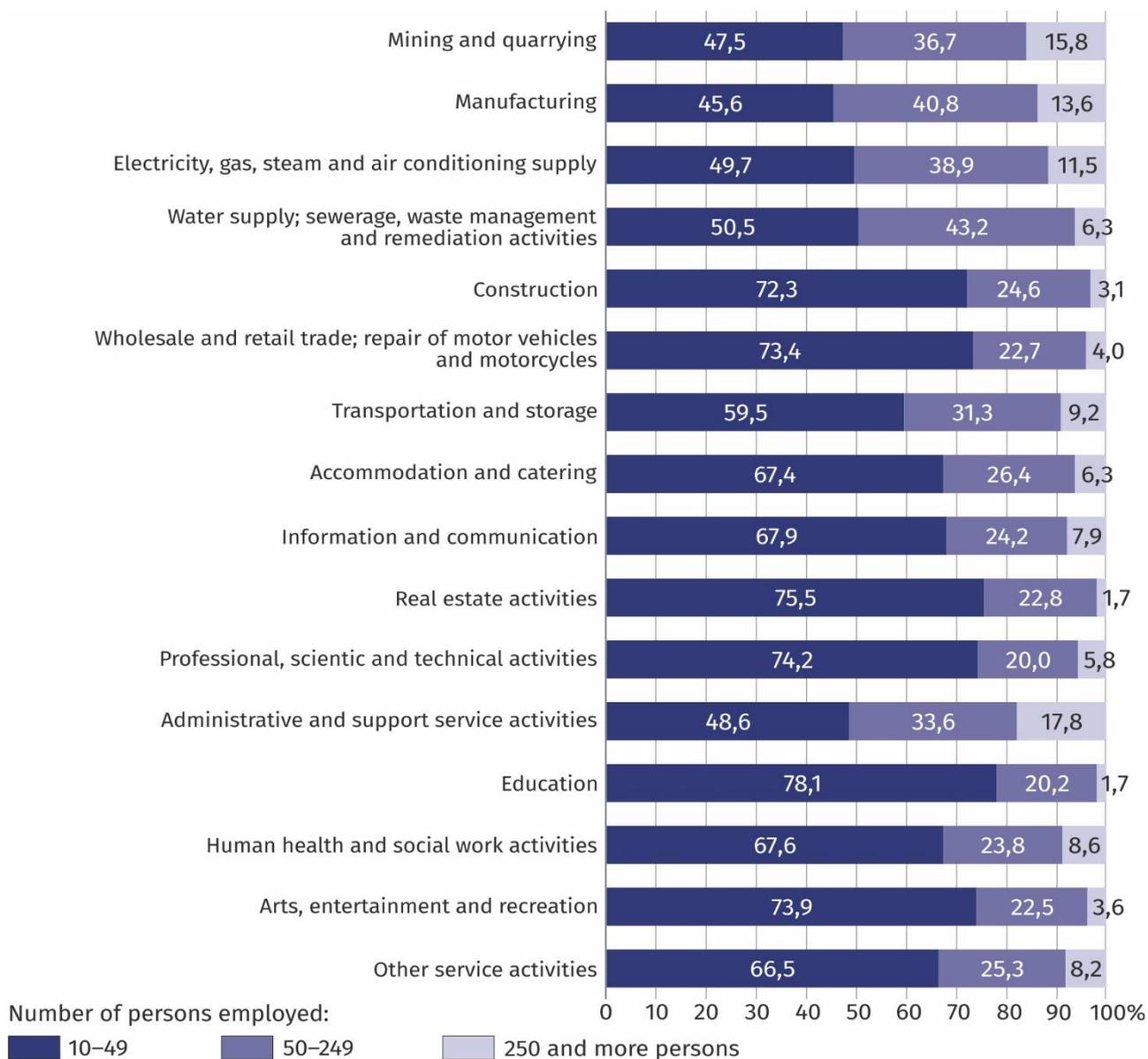
By legal form, non-financial enterprises are partnerships, capital companies, civil law partnerships conducting activities pursuant to a contract concluded on the basis of the Civil Code, companies subject to legal regulations other than the Code of Commercial Companies and the Civil Code or legal forms to which the provisions on companies (for example water companies) apply, branches of foreign entrepreneurs, state-owned enterprises, cooperatives and natural persons conducting economic activity.

The sector of non-financial enterprises does not include: foundations, funds, churches, associations, social organisations, political parties, trade unions, employers' organisations, economic and professional self-government, foreign representations, housing associations. The activity of these entities is covered by separate statistical reporting.

1.1. Number of non-financial enterprises

The information on financial results achieved by non-financial enterprises in the period of January-June 2019 included in this publication includes data on 44,676 enterprises, which means a decrease by 1.1% compared to the first half of 2018. The surveyed entities were dominated by small entities (with 10 to 49 persons employed), constituting 62.1% of the entire population covered by the survey. The share of medium-sized enterprises (with between 50 and 249 persons employed) amounted to 29.8%, and that of large enterprises (with 250 and more persons employed) to 8.1%.

Chart 1. Structure of number of surveyed non-financial enterprises by size classes and by NACE sections

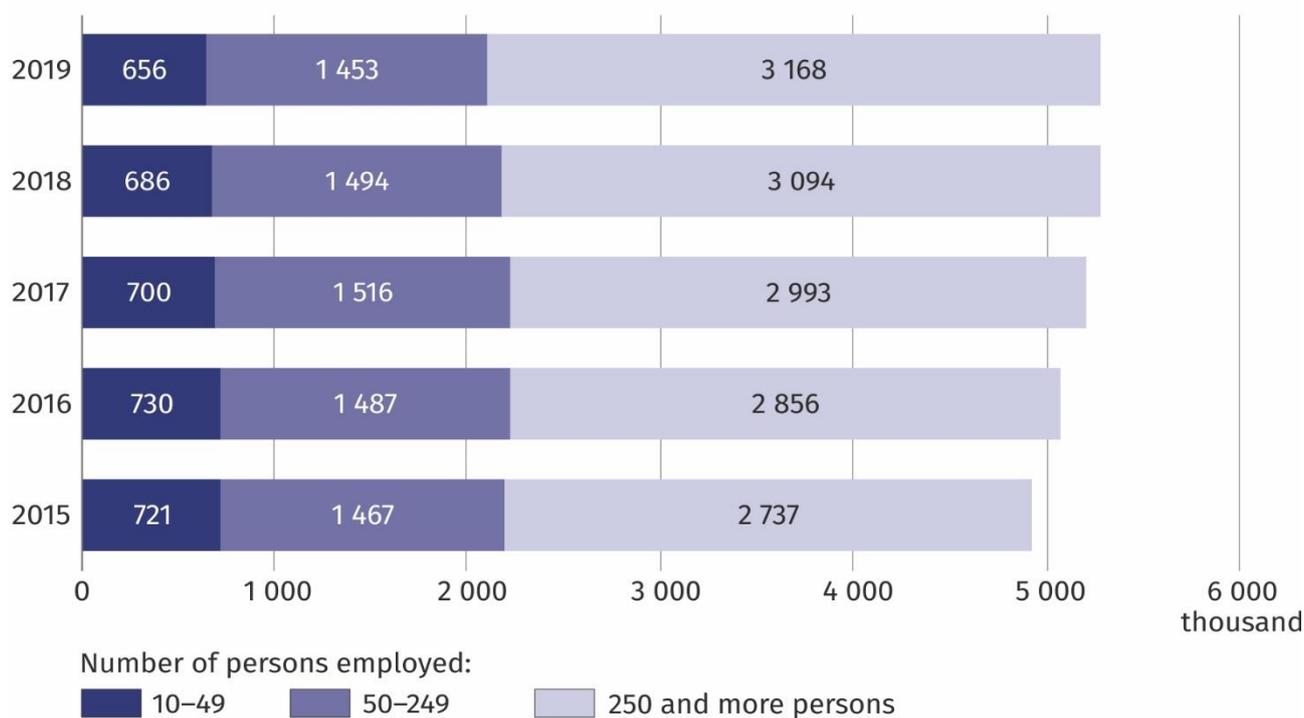


1.2. Persons employed

PERSONS EMPLOYED (working) include employees hired on the basis of an employment contract, i.e. labour contract, designation, appointment or election (including seasonal and temporary workers); employers and own-account workers: owners and co-owners (including contributing family workers) of units conducting economic activity (excluding company's partners not working in the company) and own-account workers; agents; outworkers; members of agricultural production cooperatives.

As at 30 June 2019, the enterprises covered by the survey employed 5,276.5 thousand persons, which means a slight increase compared to the end of June 2018. A total of 12.4% of persons employed worked in small units with 10 to 49 persons employed, 27.5% in medium-sized (50-249 persons employed), and 60.1% in large (250 and more persons employed) units.

Chart 2. Employed persons by size classes of entities at the end of June in the years 2015-2019



Chapter 2. Profit and loss account

2.1. Total revenues

TOTAL REVENUES (REVENUES FROM THE WHOLE ACTIVITY) include net revenues from sale of products, goods and materials, other operating revenues as well as financial revenues.

TOTAL OPERATING REVENUES include net revenues from sale of products, goods and materials as well as other operating revenues.

NET REVENUES FROM SALE OF PRODUCTS, GOODS AND MATERIALS include domestic and export sales of products (finished, semi-finished products and services) manufactured by the unit together with packaging, equipment and third party services if invoiced along with products to customers, sales of goods and materials, i.e. tangible current assets purchased for resale in the same condition as received and products manufactured by the unit if they are sold in a chain of own stores along with the third-party goods, as well as amounts due for goods and materials sold regardless whether or not they have been paid.

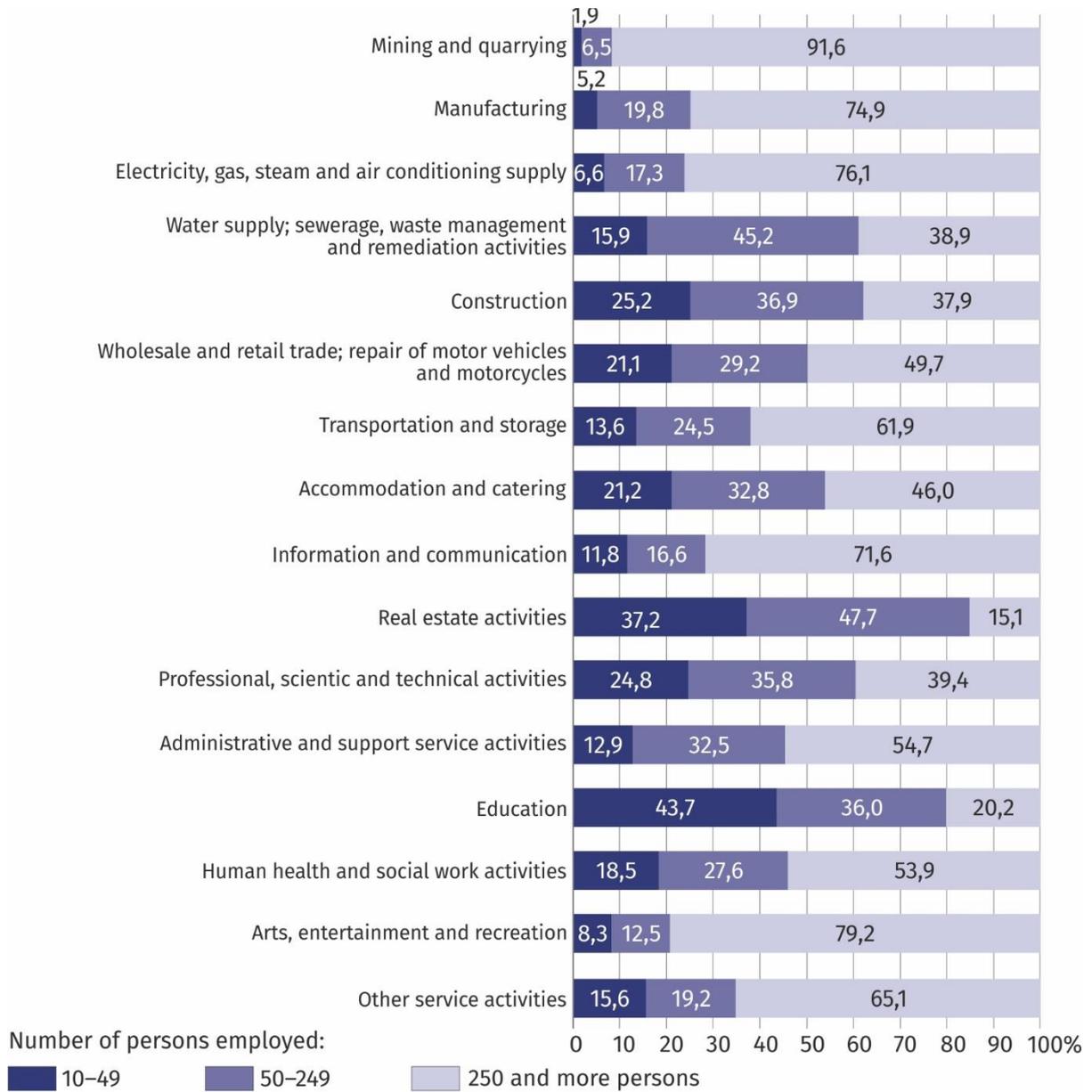
OTHER OPERATING REVENUES are revenues indirectly related to the unit's operating activities, in particular: profit from the disposal of non-financial fixed assets (fixed assets, fixed assets under construction, intangible assets, real estate investments and rights), assets (cash) obtained free of charge (including donations), damages, reversed provision, adjustments of write-offs revaluing non-financial assets, revenues from social welfare activities, income from rent or lease of fixed assets or investments in real estate and rights, extraordinary revenues.

FINANCIAL REVENUES are for example amounts due for dividends and shares in profit, interest from the loans granted, interest on term deposits, default interest, profit on disposal of investment (sale), reduction of revaluation write-offs of investment values in relation to the total or partial termination of causes resulting in permanent loss of their value, positive surplus exchange differences.

The value of revenues from overall activities obtained by the surveyed enterprises amounted to PLN 1,809.2 billion. Compared to the first half of 2018, the value of revenues increased by 6.7% for the entire surveyed population, including small entities by 4.0% and medium entities by 5.4% and for large entities by 7.8%. The amount of 13.2% of total revenues were generated by small enterprises, 24.5% by medium-sized enterprises and 62.3% by large enterprises.

The largest increase in revenues from overall activities compared to that achieved in the period of January-June 2018 was recorded in the following sections: electricity, gas, steam and air conditioning supply (by 19.1%), trade; repair of motor vehicles (by 5.9%), manufacturing (by 4.7%) and construction (by 4.0%). Total revenues decreased only for the mining and quarrying section (by 1.4%).

Chart 3. Structure of revenues from overall activities by size classes broken by NACE sections



2.2. Revenues from sale of products, goods and materials

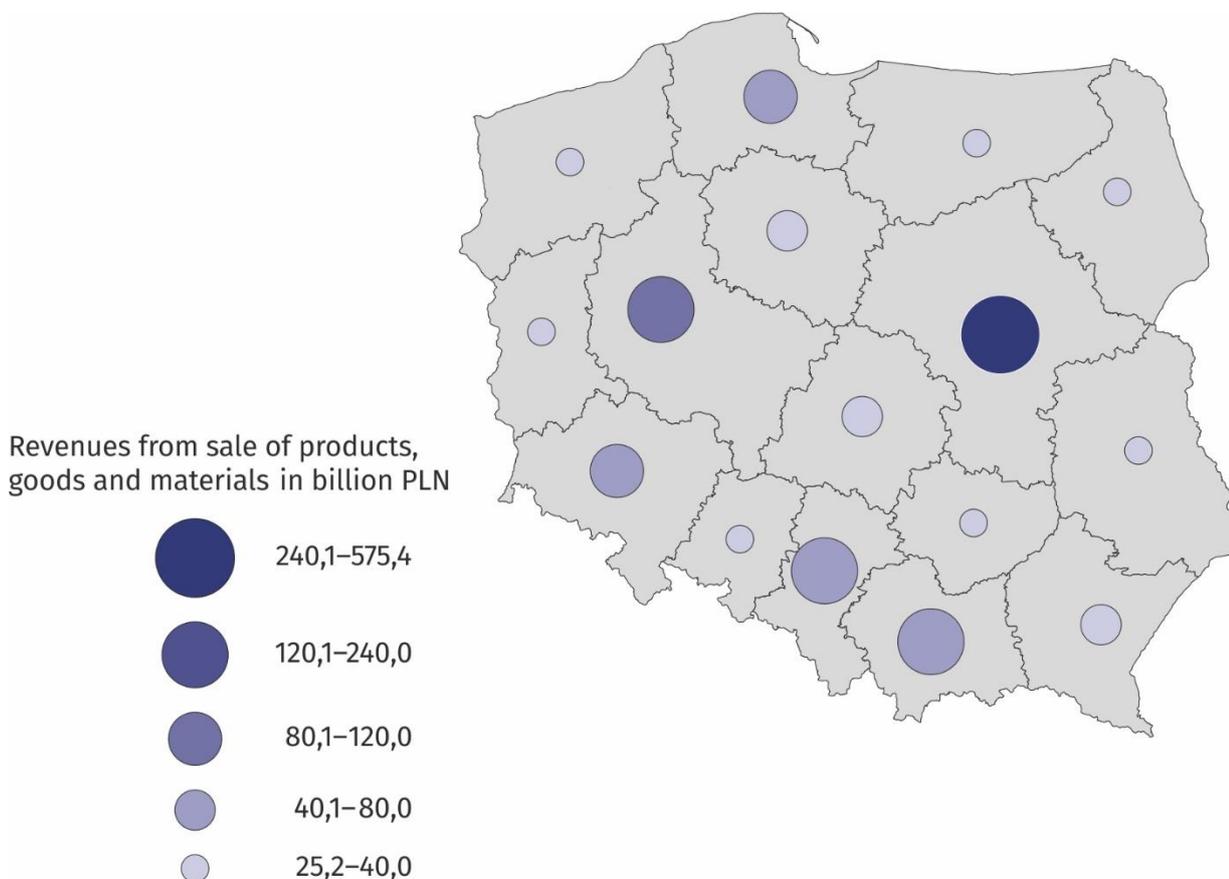
NET REVENUES FROM SALE OF PRODUCTS, GOODS AND MATERIALS include domestic and export sales of products (finished, semi-finished products and services) manufactured by the unit together with packaging, equipment and third party services if invoiced along with products to customers, sales of goods and materials, i.e. tangible current assets purchased for resale in the same condition as received and products manufactured by the unit if they are sold in a chain of own stores along with the third-party goods, as well as amounts due for goods and materials sold regardless whether or not they have been paid.

The value of net revenues from sale of products, goods and materials obtained by the surveyed enterprises amounted to PLN 1759.1 billion. Compared to the first half of 2018, for the entire surveyed population their value increased by 7.0%, for small entities by 4.2%, for medium ones by 5.3% and for large ones by 8.2%. The 13.2% of net revenues from total sales of the surveyed entities was generated by small enterprises, 24.4% medium-sized enterprises and 62.4% by large enterprises.

The largest increase in revenues from sale of products, goods and materials compared to those achieved in the period of January-June 2018 was noted, e.g. in the sections: electricity, gas, steam and air conditioning supply (by 20.2%), trade; repair of motor vehicles (by 6.0%) and manufacturing (by 5.2%).

The highest increase in revenues from sales of products, goods and materials compared to the same period last year was recorded in the Podlaskie (by 10.7%), Mazowieckie (by 10.1%), Dolnośląskie (by 9.1%), Pomorskie (by 8.7%) and Wielkopolskie (by 5.5%) voivodships.

Map 1. Revenue from sale of products, goods and materials



2.3. Revenues from export sale of products, goods and materials

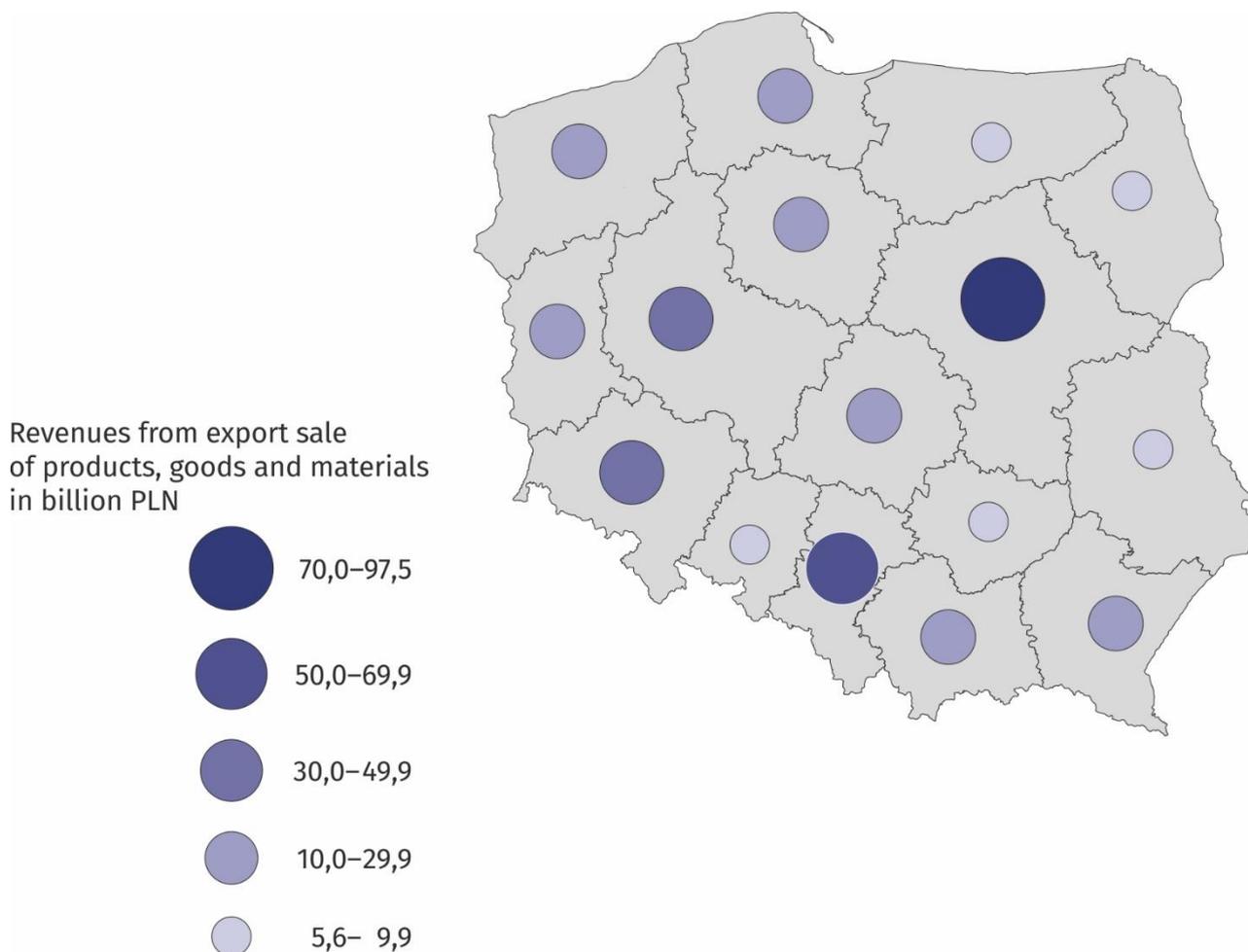
NET REVENUES FROM EXPORT SALE OF PRODUCTS, GOODS AND MATERIALS include intra-Community deliveries to EU Member States and exports to non-EU countries.

From the group of non-financial enterprises covered by the survey, 36.7% of entities showed export sales in the period of January-June 2018 (35.5% in the period of January-June 2017). The level of export sales was higher by 9.3%, its share in net revenues from sales of products, goods and materials of all entities increased from 23.3% to 23.8%. By size class of enterprises, large units obtained 75.0% of total revenues from export sales, medium-sized entities obtained 18.8%, and the small ones – 6.2%.

The largest share in the revenues from sale of products, goods and materials for export was recorded in the sections of manufacturing (74.0%) and trade; repair of motor vehicles (10.4%).

The highest increase in revenues from sale of products, goods and materials for export compared to the first half of 2017 was recorded in the following voivodships: Dolnośląskie (by 17.7%), Pomorskie (by 14.0%), Mazowieckie (by 13.6%) and Małopolskie (by 10.7%).

Map 2. Revenues from export sale of products, goods and materials



2.4. Total costs

TOTAL COSTS (COSTS OF OBTAINING REVENUES FROM THE WHOLE ACTIVITY) include costs of products, goods and materials sold, other operating and financial costs.

COSTS OF PRODUCTS, GOODS AND MATERIALS SOLD include cost of products sold (i.e. basic operational costs decreased by the costs of generating benefits for the need of the unit and corrected by change in stock products) and value of goods and materials sold according to procurement or purchase prices.

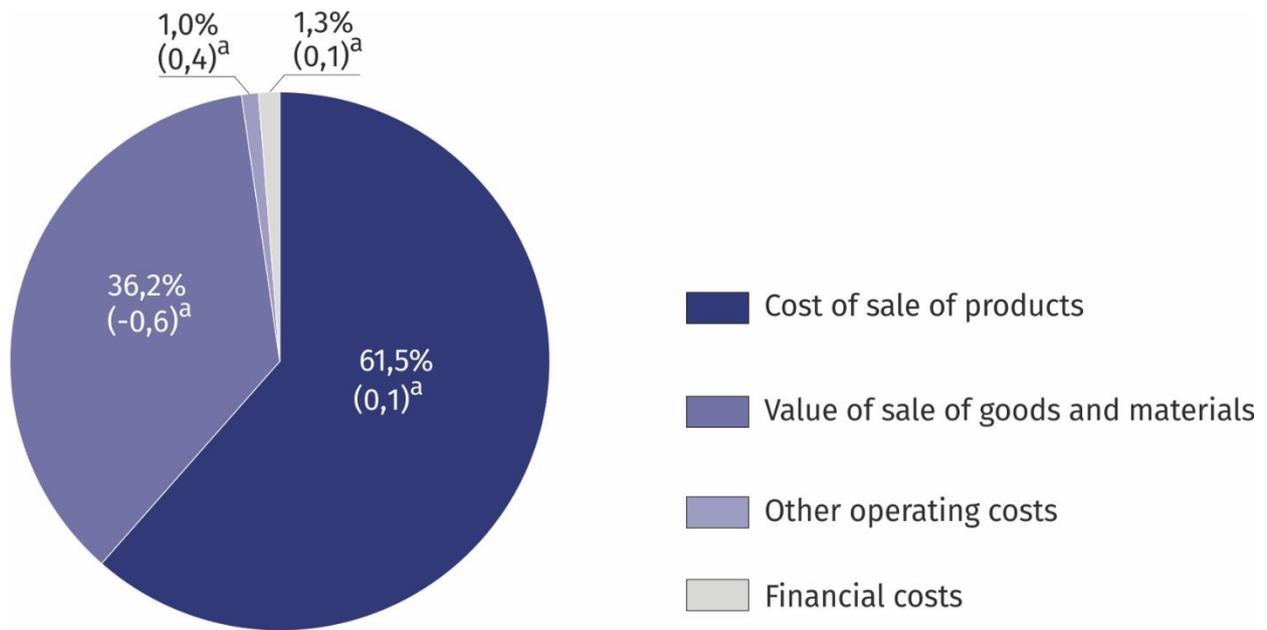
OTHER OPERATING COSTS are costs indirectly related to the unit's operating activity, in particular: loss on disposal of non-financial fixed assets and fixed assets under construction, depreciation of leased or rented fixed assets, unplanned depreciation (impairment charges), penalties, fines, damages, receivables written off partially or fully as a result of bankruptcy, composition or restructuring proceeding, provisions created for certain or highly probable future liabilities (loss on economic transactions in progress), write-offs revaluing non-financial assets, costs of maintaining social facilities, donations or free of charge transferred fixed assets, extraordinary costs.

FINANCIAL COSTS are for example interest on bank credits and loans, interest and discount on bonds issued by the unit, default interest, loss on disposal of investments, revaluation write-offs of investment values, negative surplus exchange differences.

The value of costs of obtaining revenues from the whole activity incurred by the non-financial enterprises surveyed amounted to PLN 1,717.4 billion. In total, the increase in the value of costs for the entire population was 6.8%; for small units – 3.9%, medium – 5.4% and large – 8.0%. Of the total costs, 13.1% were incurred by small enterprises, 24.7% by medium-sized enterprises, and 62.2% by large enterprises.

In the total structure of costs by type, the share of wages and salaries, depreciation and other costs by type increased (0.2 percentage points each). The share of materials and energy consumption (by 0.6 percentage points) and services made by other contractors (by 0.1 percentage point) decreased. The share of taxes and payments as well as insurances and benefits for workers remained unchanged.

Chart 4. Structure of costs from overall activity of non-financial enterprises



a Changes to I-VI 2018 (in percentage points)

2.5. Financial results

FINANCIAL RESULT FROM THE SALE OF PRODUCTS, GOODS AND MATERIALS is the difference between the net revenues from the sale of products, goods and materials and the costs incurred to obtain them (the costs of the products, goods and materials sold).

FINANCIAL RESULT FROM OTHER OPERATING ACTIVITY is the difference between the other operating revenues and the other operating costs. From 2002 the item contained part of extraordinary events related to operating activity and from 2016 all kind of extraordinary events related to operating activity.

FINANCIAL RESULT FROM OPERATING ACTIVITIES is the difference between total operating revenues and total operating costs.

RESULT ON FINANCIAL ACTIVITY is the difference between the financial revenues and the financial costs.

GROSS FINANCIAL RESULT is calculated as the difference of total revenues and total costs – in case of surplus of total costs over total revenues, the financial result is recorded with the sign (-).

OBLIGATORY ENCUMBRANCES ON GROSS FINANCIAL RESULT include corporate income tax and other payments under separate regulations. The income tax affecting the financial result includes current and deferred part. The deferred part is the difference between deferred income tax provisions and deferred income tax assets (due to temporary differences between gross financial result and taxable base, resulting from differences in the time of recognition of revenue and cost in accordance with accounting regulations and tax provisions) as at the end and beginning of the reporting period.

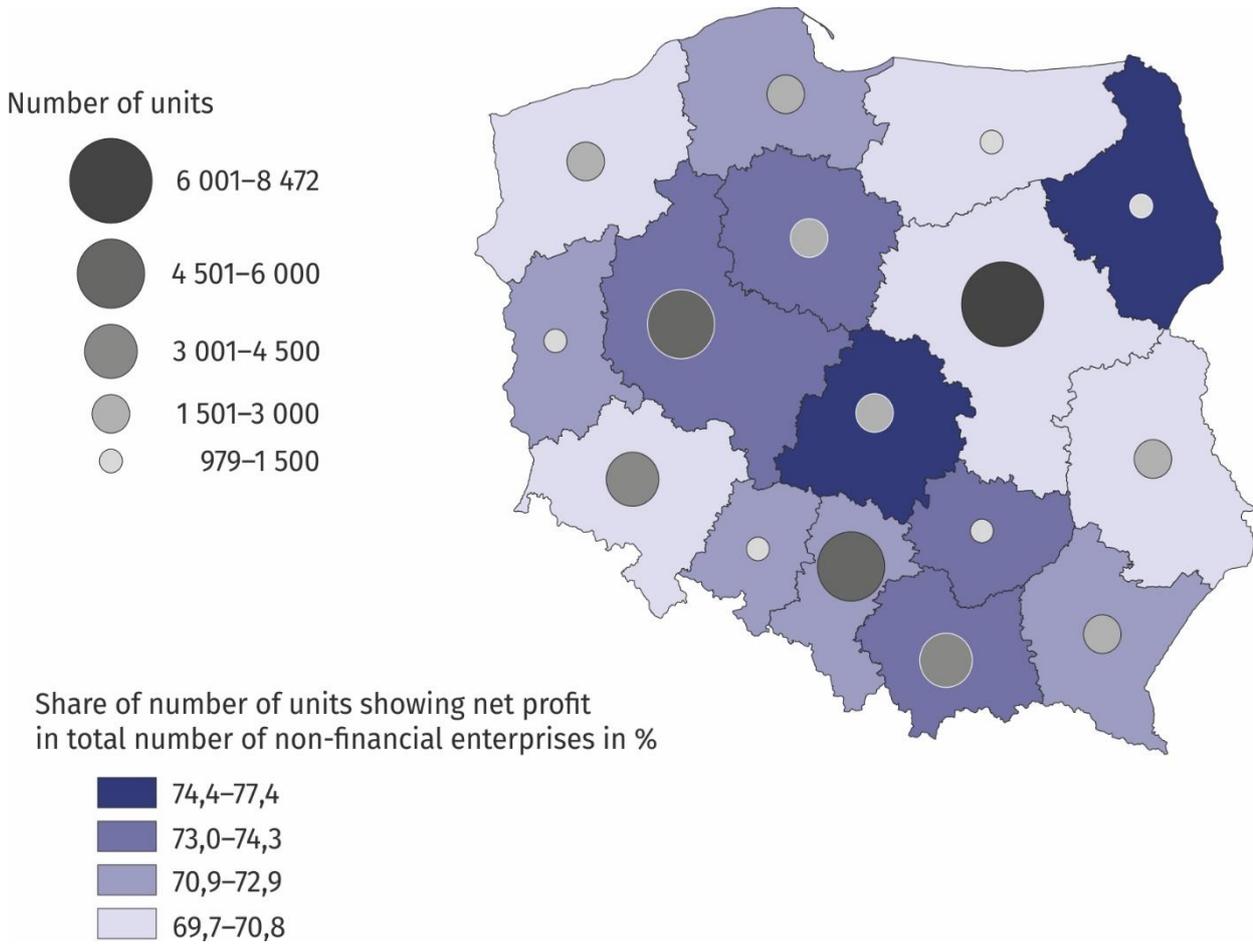
NET FINANCIAL RESULT is a gross financial result reduced by obligatory encumbrances.

In the period of January-June 2019, the financial results of 44,676 of non-financial enterprises surveyed were more favourable than those obtained a year before. The gross financial result was PLN 91.8 billion compared to PLN 87.7 billion a year before. By groups of enterprises by number of persons employed, the annual gross financial result increased by 4.3% in large units, by 4.9% in medium units and by 6.0% in small units. The obligatory encumbrances on gross financial result amounted to PLN 14.9 billion (by 4.0% more than a year before, of which in large entities by 5.4%, in small entities by 4.5%, and in medium-sized entities the obligatory encumbrances on the financial result decreased by 1.4%). The net financial result was at the level of PLN 76.9 billion (i.e. higher by 4.8% compared to that achieved in the first half of 2018). The recorded net profit was higher by 3.1% and the net loss was lower by 3.9%. Net profit was recorded by 72.5% of all surveyed enterprises (compared to 72.4% a year before), and the revenues obtained by them constituted 83.7% of revenues from overall activities of the surveyed enterprises (compared to 81.6% a year before).

The largest increase in both the gross financial result and the net financial result in relation to the first half of 2018 was recorded in the sections of construction, accommodation and catering, as well as information and communication.

The highest increase in gross financial results and net financial results was recorded in the following voivodships: Świętokrzyskie, Podkarpackie and Lubuskie.

Map 3. Share of number of units showing net profit in total number of non-financial enterprises



2.6. Economic indicators

COST LEVEL INDICATOR is the relation of total costs to total revenues.

GROSS SALES PROFITABILITY INDICATOR is the relation of the financial result from the sale of products, goods and materials to the net revenues from the sale of products, goods and materials.

NET SALE PROFITABILITY INDICATOR is the relation of net financial result to the net revenues from sales of products, goods and materials.

GROSS TURNOVER PROFITABILITY INDICATOR is the relation of gross financial result to the total revenues.

NET TURNOVER PROFITABILITY INDICATOR is the relation of net financial result to the total revenues.

FIRST DEGREE FINANCIAL LIQUIDITY INDICATOR is the relation of short-term investments to short-term liabilities (excluding special funds).

SECOND DEGREE FINANCIAL LIQUIDITY INDICATOR is the relation of short-term investments and short-term receivables to short-term liabilities (excluding special funds).

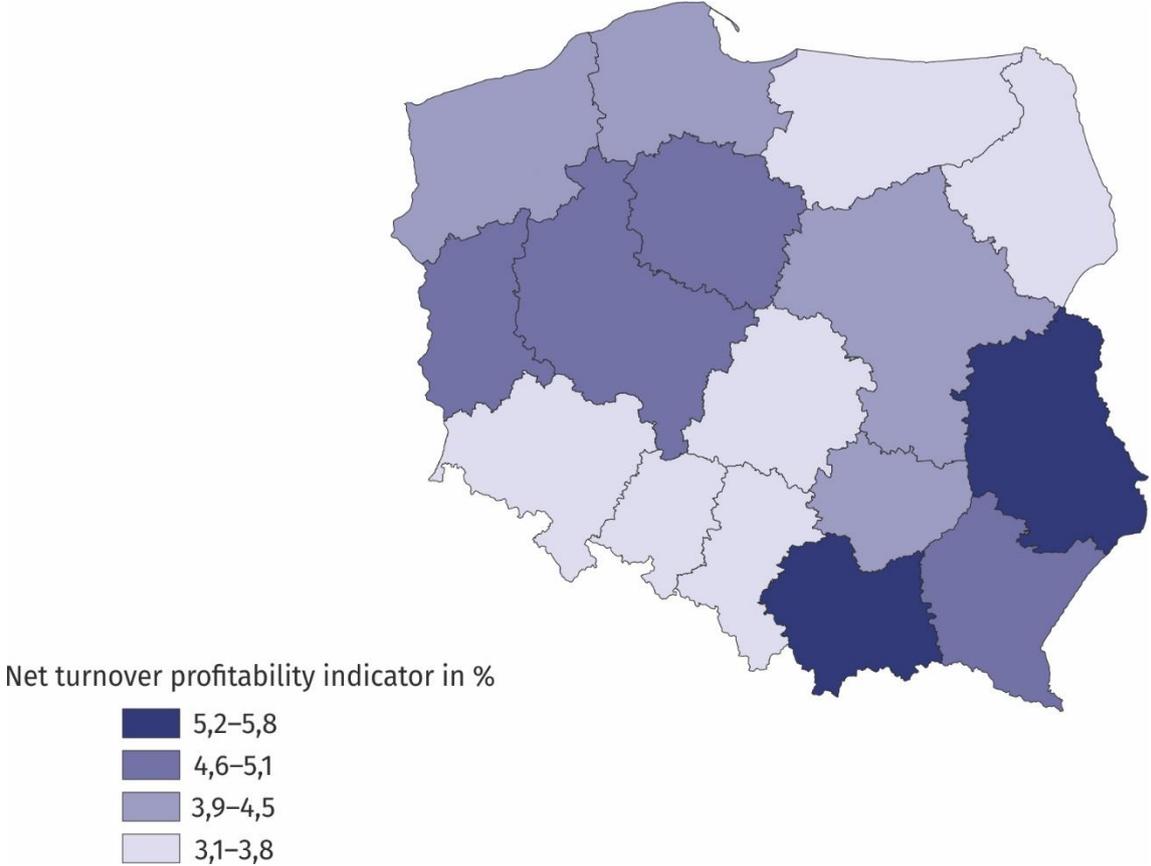
THIRD DEGREE FINANCIAL LIQUIDITY INDICATOR is the relation of current assets of the units (stocks, short-term receivables, short-term investments and short-term prepayments and accruals) to short-term liabilities (excluding special funds).

The cost level indicator of the surveyed non-financial enterprises covered by the analysis was 94.9% (compared to 94.8% in the first half of 2018). The most favourable indicator was recorded by entities conducting activity in the field of professional, scientific and technical activities (90.2%) as well as electricity, gas, steam and air conditioning supply (91.1%). The cost level indicator in manufacturing was 94.3%, and in trade; repair of motor vehicles 97.2%.

The gross turnover profitability indicator decreased from 5.2% to 5.1%, while the net turnover profitability index remained at the same level of 4.3%. The highest increase in the net turnover profitability indicator was recorded in the sections: professional, scientific and technical activities (from 7.4% to 8.7%), information and communication (from 5.5% to 6.6%) and construction (from 3.2% to 4.3%). The largest decrease in the indicator was recorded for the sections mining and quarrying (from 9.1% to 5.5%), electricity, gas, steam and air conditioning supply (from 9.1% to 7.6%).

The first degree financial liquidity indicator was at 35.4% (36.6% a year before), and the second degree financial liquidity indicator - 99.8% (101.8%).

Map 4. Net turnover profitability indicator



Chapter 3. Current assets and liabilities

3.1. Current assets

CURRENT ASSETS are part of unit-controlled property resources used in operating activities of a reliably determined fair value, arising from past events that will provide the unit with economic benefits in the future. They include stocks (current tangible assets) and short-term: receivables, investments and pre-payments and accruals.

STOCKS are tangible current assets, which include: materials – raw materials, primary and auxiliary materials, semi-finished third-party products, packaging, spare parts and waste; finished products – final articles, performed services, completed works, including construction and assembly works, research and development works, design works, geodetic and cartographic works, etc.; semi-finished products and work in progress – unfinished production, i.e. production (services, including construction works) in progress and semi-finished products of own production; goods for resale – tangible current assets acquired for resale in unchanged form; advances for deliveries.

SHORT-TERM RECEIVABLES cover total receivables from deliveries and services (regardless of their payment date) and the whole or part of other receivables not included in financial assets that become due within 12 months from the balance sheet date.

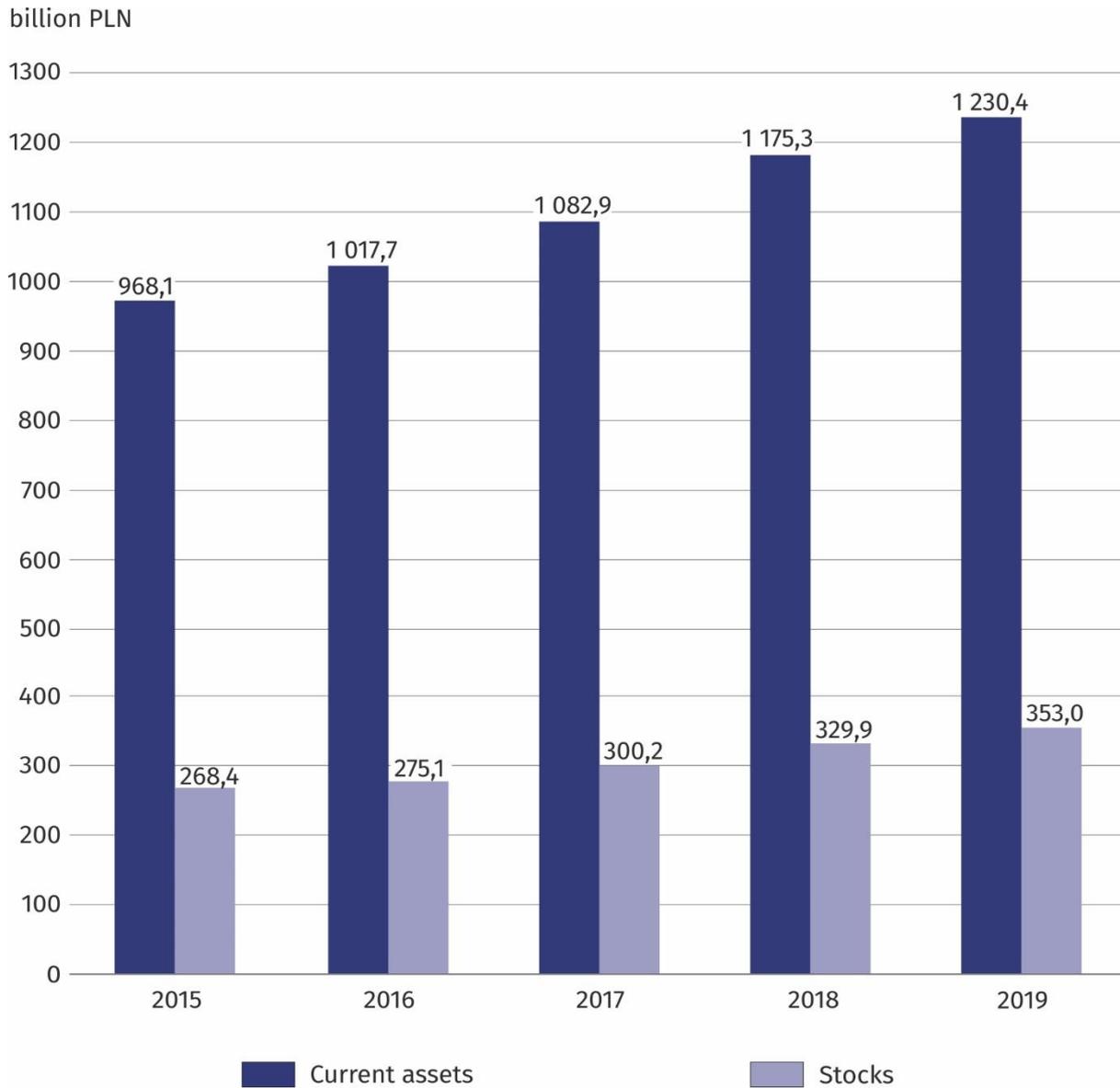
SHORT-TERM INVESTMENTS cover short-term (current) financial assets, in particular shares, other securities, loans granted, other short-term financial assets, cash and other monetary assets; and other short-term investments.

SHORT-TERM PREPAYMENTS AND ACCRUALS include deferred costs and deferred revenues to be settled within 12 months from the balance sheet date, as an equivalent of revenues that are not yet receivables as of the balance sheet date from the legal point of view. date.

As at the end of June 2019, the value of current assets of the surveyed non-financial enterprises amounted to PLN 1,230.4 billion, which means an increase of 4.7% in annual terms. Large enterprises, as at the end of June 2019, recorded an increase in current assets by 6.6% compared to the end of the first half of 2018, medium enterprises by 1.9% and small enterprises by 2.5%.

The value of total stocks of the surveyed non-financial enterprises amounted to PLN 353.0 billion, i.e. it was by 7.0% higher than a year before. There was an increase in short-term receivables (by 4.4%), short-term investments (by 2.3%) and short-term prepayments (by 6.2%). In the total stock structure, the share of finished products increased (from 13.7% to 14.0%), and the share of goods (from 41.8% to 41.5%), semi-finished and work-in-progress (from 14.6% to 14.4%) and materials (from 27.7% to 27.6%) decreased.

Chart 5. Current assets at the end of June in the years 2015-2019



3.2. Liabilities

LIABILITIES AND PROVISIONS FOR LIABILITIES are obligations resulting from future events to provide benefits of a reliably determined value that will result in usage of the entity's existing or future assets of the unit. They include provisions for liabilities, long-term liabilities, short-term liabilities and prepayments and accruals.

LONG-TERM LIABILITIES other than liabilities from deliveries and services, include liabilities which become due fully or partially more than 12 months after the balance sheet date.

SHORT-TERM LIABILITIES (excluding special funds) include all liabilities from deliveries and services and all or part of other liabilities due within 12 months after the balance sheet date.

At the end of the first half of 2019, long and short-term liabilities (excluding special funds) amounted to PLN 1,287.0 billion and were 5.9% higher than a year before. In large enterprises, the increase in these liabilities amounted to 9.4%, and in medium-sized enterprises – 3.2%. In small enterprises, long-term and short-term liabilities (excluding special funds) were 4.6% lower.

At the end of June 2019, the value of short-term liabilities of all non-financial enterprises surveyed amounted to PLN 838.5 billion and was 5.8% higher than a year ago. This was due to an increase in liabilities due to issue of debt securities by 46.5%, advances received for deliveries by 19.1% and other short-term liabilities by 8.9%, and credits and loans by 7.6%.

Chart 6. Structure of short-term liabilities



^a Changes to I-VI 2018 (in percentage points)

Chapter 4. Outlays

4.1. Investment outlays

INVESTMENT OUTLAYS are the financial or material expenditures aimed at creating new fixed assets or improving (rebuilding, enlargement, restructuring or modernization) existing fixed assets, as well as outlays on so-called initial equipment for the investment. The investment outlays are divided into outlays on fixed assets and other outlays.

The outlays on fixed assets include expenditures on: buildings and structures (buildings, premises, civil and water engineering structures), including, for example, construction and assembly works, design-cost-estimate documentations, specific drainage; machinery, technical equipment and tools (including instruments, movables and equipment); means of transport; other, i.e. land quality improvements, long-term plantations, livestock and interest on investment credits and loans for the period of the investment implementation.

Other outlays include outlays on the so-called initial equipment for the investment and other costs related to the implementation of the investment. Those outlays do not increase the value of the fixed assets.

In the first half of 2019, total investment expenditure of the surveyed enterprises amounted to PLN 69.6 billion. The value of outlays was (in constant prices) higher by 17.9% than a year before (in the period of January-June 2018 there was an increase of 11.0% and in 2018 increase by 10.8%). Outlays (at constant prices) on buildings and structures increased by 24.4%, while those on machinery, technical equipment and tools – by 11.6% and on transport equipment – by 24.0%. The share of purchases¹ in total outlays was 62.3% (65.1% year before).

The share in outlays of small units (with a number of employees from 10 to 49) amounted to 6.5%, medium-sized entities (with a number of employees from 50 to 249) – 19.0%, and large units (250 employees and more) – over 74%.

Investment was observed mainly in enterprises conducting activity in the field of: industry – 39.1% of total investing entities, trade; repair of motor vehicles – 25.7%, construction – 7.7%, transportation and storage – 5.0%, information and communication – 4.3% as well as administrative and support service activities – 2.9%. In total, these entities invested PLN 65.8 billion – 94.6% of the total outlays of the surveyed entities.

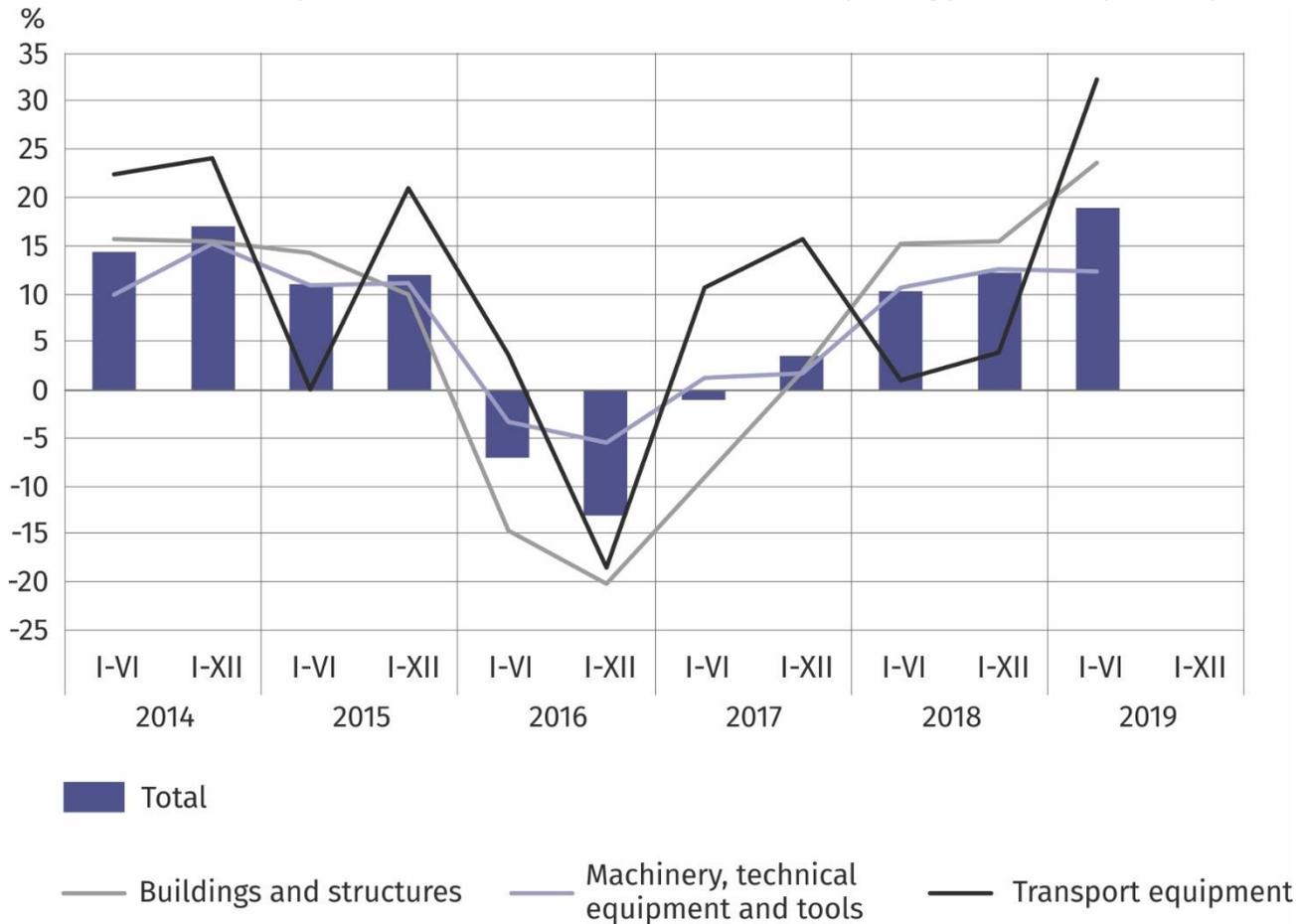
From the manufacturing units, the highest share of outlays was in entities that produce on motor vehicles, trailers and semi-trailers – 14.3%, food – 13.1%, electrical equipment – 12.2%, rubber and plastic products – 9.1%, metal products – 7.3% and products from other mineral non-metallic raw materials – 7.2%.

Enterprises based in four voivodships: Mazowieckie, Dolnośląskie, Śląskie and Wielkopolskie had the largest share in implemented outlays in the first half of 2019, 66.5% in total. In six other voivodships: Małopolskie, Łódzkie, Pomorskie, Lubelskie, Podkarpackie and Kujawsko-Pomorskie, 25.2% of outlays were implemented. The remaining six voivodships accounted for 8.3% of investment outlays incurred.

The total cost estimate of newly started investments was PLN 27.7 billion. From the total cost estimate value of newly started investments, 5.5% was of small enterprises, 16.5% of medium-sized entities and 78.0% of large entities.

¹ Machinery, technical equipment and tools as well as transport equipment.

Chart 7. Investment outlays – increase/decrease in relation to the corresponding period of the previous year

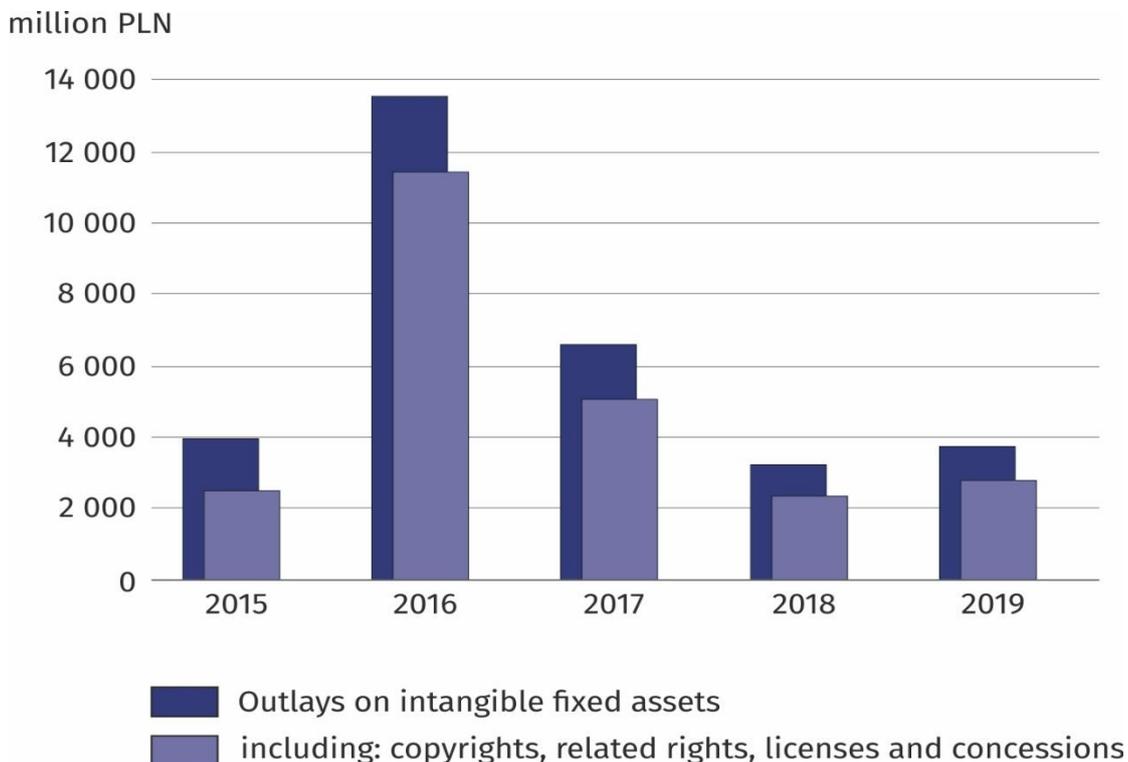


4.2. Outlays on intangible assets

OUTLAYS ON INTANGIBLE ASSETS are expenditures on acquired property rights, classified as non-current (fixed) assets, economically viable with an anticipated useful economic life longer than a year, intended for use for the purposes of the unit. In particular, expenditures on: copyright property rights, related property rights, licenses, concessions, rights to inventions, patents, trademarks, utility models, ornamental patterns, and value equivalent to information obtained in the field of industry, commerce, science or organization (know-how), goodwill, costs of completed development work.

Outlays on intangible assets amounted to PLN 3.7 billion and were 15.3% higher than in the first half of 2018. The share of small entities in these outlays was 7.1%, of medium-sized enterprises – 17.2%, and large entities – 75.7%. In the structure of outlays on intangible assets, 75.6% were outlays on property copyrights, related rights, licenses and concessions.

Chart 8. Outlays on intangible fixed assets, copyrights, related rights, licenses and concessions in the period of January-June in the years 2015-2019



5. Non-financial enterprises with predominant foreign capital

ENTITY WITH A MAJORITY SHARE OF FOREIGN CAPITAL is the entity in which the share of foreign capital in the share capital exceeds 50%.

The share of foreign capital in the share capital was calculated based on the results of the statistical survey of the activity of entities with foreign capital.

FOREIGN CAPITAL is the capital contributed to the unit in the form of financial resources (cash, shares, bonds), tangible fixed assets (machines, equipment, means of transport, real estate) and intangible assets (patents, licenses, etc.) by a foreign entity. A foreign entity may be: a natural person without Polish citizenship; a legal person located abroad; an organizational unit without legal personality located abroad.

SHARE CAPITAL (FUND) is the actual contribution of the owner or co-owner, provided to start up the economic unit at the moment of its establishment, increased later if necessary.

In the surveyed population of non-financial enterprises, 6,846 units had the predominant share of foreign capital. They constituted 15.3% of all surveyed enterprises. Among these entities, small entities (with 10 to 49 persons employed) prevailed, constituting 42.9%. The share of medium-sized enterprises (employing between 50 and 249 people) amounted to 36.8%, and that of large entities (with 250 and more persons employed) to 20.3%.

In the discussed group, entities with a 100% share of foreign capital in the share capital prevailed, constituting 84.6% (increase by 0.5% compared to the first half of 2018).

As at 30 June 2019, 1,829.9 thousand persons worked in enterprises with predominant foreign capital covered by the survey, which means an increase by 5.7% compared to the end of June 2018. In small units with 10 to 49 persons employed, a total of 4.1% worked, in medium-sized there were 50-249 persons employed which was 16.5% in total, and in the large ones (250 and more persons employed) which constituted 79.4%.

The value of revenues from overall activities obtained by the surveyed enterprises with predominant foreign capital amounted to PLN 742.6 billion. Compared to the end of the first half of 2018, the total value of these revenues increased by 9.5% for the entire surveyed population, by 4.8% for small, by 13.4% for medium and for large entities by 8.9%. A 7.4% of total revenues were generated by small enterprises, 19.5% by medium-sized enterprises and 73.1% by large enterprises.

The value of costs from total activity incurred by the surveyed enterprises with predominant foreign capital was PLN 705.5 billion. Overall, the increase in the value of costs for the entire population was 9.0%; for small entities 3.7%, for medium entities 13.2% and for large entities 8.5%. Of the total costs, 7.3% was incurred by small enterprises, 19.5% by medium-sized entities, and 73.2% by large entities.

In the period of January-June 2019, the financial results of 6,846 surveyed enterprises with predominant foreign capital were more favourable than those obtained a year ago. The gross financial result was PLN 37.2 billion against PLN 31.1 billion a year before. Broken by number of persons employed, the annual gross financial result in small entities was higher by 29.3%, in medium entities by 17.5%, and in large entities by 18.8%. The net financial result was at the level of PLN 30.4 billion (increase by 22.1% compared to the first half of 2018) and it constituted 39.5% of net financial result of all surveyed enterprises with 10 persons employed and more, keeping accounting books.

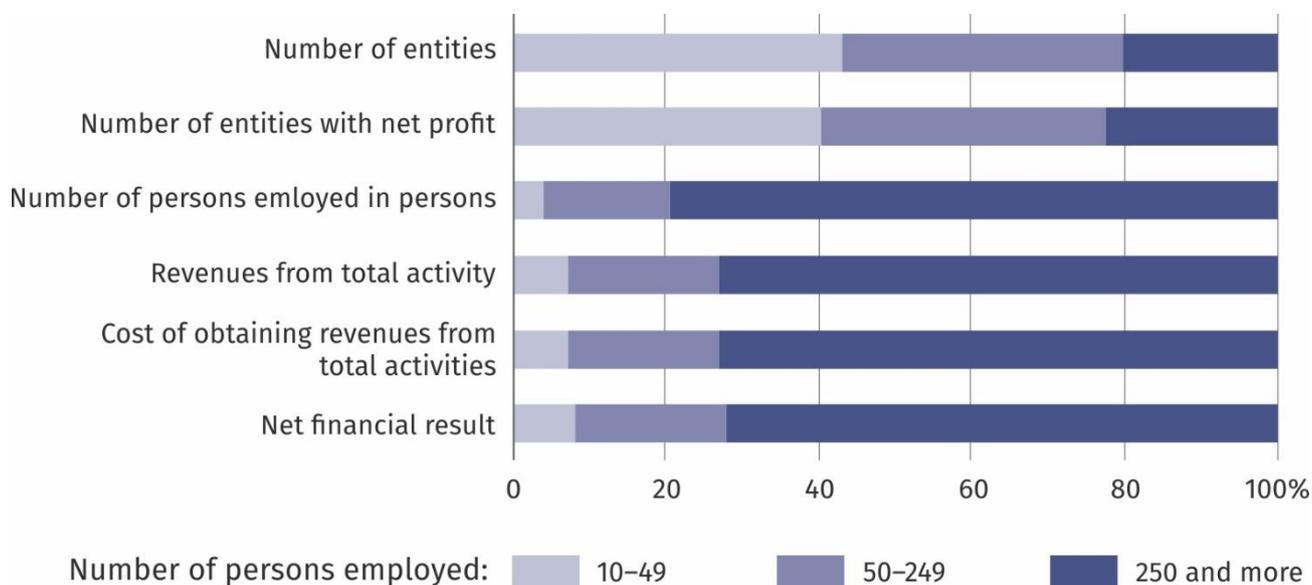
The higher growth in revenues from total activity achieved in the period of January-June 2019 than that of the costs of obtaining them (by 9.5% and 9.0%, respectively) was reflected in the improvement of the cost level indicator (from 95.4% a year before to 95.0%). The gross sale profitability indicator decreased slightly to 5.1% (5.2% in the first half of 2018). The gross turnover profitability indicator increased from 4.6% to 5.0%, and the net turnover profitability indicator from 3.7% to 4.1%.

At the end of June 2019, the value of current assets of the surveyed enterprises amounted to PLN 492.4 billion, which means a 6.0% increase in annual terms. At the end of the first half of 2019, large enterprises recorded a 5.3% increase in current assets compared to the end of June 2018, medium enterprises by 9.4% and small enterprises by 3.4%.

The value of short-term liabilities of all surveyed enterprises with predominant foreign capital amounted to PLN 346.1 billion at the end of June 2019 and was 6.1% higher than a year ago.

Total investment outlays of the surveyed enterprises with predominant foreign capital in the first half of 2019 amounted to PLN 28.6 billion and were (at constant prices) 13.7% higher than a year ago. The share of large entities (with 250 and more persons employed) in outlays was 79.7%, that of medium entities (with 50-249 employees) amounted to 17.5%, and of small entities (with 10-49 persons employed) to 2.8%.

Chart 9. Basic data on non-financial enterprises with a predominance of foreign capital by size class



Methodological notes

The aim of research of non-financial enterprises is to collect and present to users information on this group of entities and the results of their business operations.

The quarterly survey of revenues, costs and financial result as well as investment outlays is one of the important sources of information for analyzes on the current economic situation of the country, necessary to create the macro- and microeconomic policy.

This publication presents data on revenues, costs and financial results as well as current assets, liabilities and investment expenditures of non-financial entities conducting economic activity. The source of information is the report drawn up on the F-01/I-01 form by non-financial entities employing 10 persons and more, keeping accounting books.

The examined entities are classified in two groups due to the number of persons employed, according to which reporting obligations for a given year are determined. The change in the number of persons employed during the calendar year does not change the reporting obligations and present the published results. The first group includes entities in which the number of persons employed is 50 persons and more. This group was presented in a breakdown by two sub-groups: units with 50 to 249 persons employed and units with 250 or more persons employed. These units are required to submit statistical reports on a quarterly basis, and the basic data is published in the Statistical Bulletin. The second group of entities includes entities in which the number of persons employed is in the range of 10-49 persons. These units are required to submit reports on a semi-annual basis.

1. Scope and content of the survey

The population presented in the publication includes legal persons, entities without legal personality and natural persons conducting economic activity in the period of January-June 2019.

In terms of the kind of activity the scope of this publication covers non-financial enterprises, i.e. units classified to the following sections of the NACE Rev.2:

Section	Description
B	Mining and quarrying
C	Manufacturing
D	Electricity, gas, steam and air conditioning supply
E	Water supply; sewerage, waste management and remediation activities
F	Construction
G	Wholesale and retail trade; repair of motor vehicles and motorcycles
H	Transport and storage
I	Accommodation and food service activities
J*	Information and communication
L	Activities related to real estate activities
M	Professional, scientific and technical activities
N	Activities related to administrative and support service activities
P**	Education
Q***	Human health and social work activities
R****	Arts, entertainment and recreation
S*****	Other service activities

- * section J – excluding culture institutions with legal personality
- ** section P – excluding higher education institutions
- *** section Q – excluding independent public health care facilities
- **** section R – excluding cultural institutions with legal personality
- *****section S – excluding trade unions, religious and political organizations

For the purpose of this publication an additional grouping was established in relation to the binding classification, by including sections: B (Mining and quarrying), C (Manufacturing), D (Electricity, gas, steam, and air conditioning supply), E (Water supply; sewerage, waste management and remediation activities) under the common term “Industry”.

In the analyzed population, the following size classes were distinguished:

- small enterprises (with 10 to 49 persons employed);
- medium-sized enterprises (with 50 to 249 persons employed);
- large enterprises (with 250 or more persons employed).

More detailed information on data sources used in quarterly surveys of non-financial enterprises, as well as on the results developed on the basis of these surveys and forms of their presentation are presented in the [Methodological Handbook – Non-financial enterprises surveys](#). This Handbook is a compendium of knowledge for persons using the results of surveys of non-financial enterprises, helpful in their analysis and interpretation.

Data from quarterly surveys of non-financial enterprises can also be found, among others, in the [Non-financial Enterprises Knowledge Databases](#) and in the [Local Data Bank](#) in the part of Finances of Enterprises conducting business as well as in [statistical yearbooks](#).

2. Basic definitions

Persons employed (working) include employees hired on the basis of an employment contract, i.e. labour contract, designation, appointment or election (including seasonal and temporary workers); employers and own-account workers: owners and co-owners (including contributing family workers) of units conducting economic activity (excluding company's partners not working in the company) and own-account workers; agents; outworkers; members of agricultural production cooperatives.

Total revenues (revenues from the whole activity) include net revenues from sale of products, goods and materials, other operating revenues as well as financial revenues.

Total operating revenues include net revenues from sale of products, goods and materials as well as other operating revenues.

Net revenues from sale of products, goods and materials include domestic and export sales of products (finished, semi-finished products and services) manufactured by the unit together with packaging, equipment and third party services if invoiced along with products to customers, sales of goods and materials, i.e. tangible current assets purchased for resale in the same condition as received and products manufactured by the unit if they are sold in a chain of own stores along with the third-party goods, as well as amounts due for goods and materials sold regardless whether or not they have been paid.

Other operating revenues are revenues indirectly related to the unit's operating activities, in particular: profit from the disposal of non-financial fixed assets (fixed assets, fixed assets under construction, intangible assets, real estate investments and rights), assets (cash) obtained free of charge (including donations), damages, reversed provision, adjustments of write-offs revaluing non-financial assets, revenues from social welfare activities, income from rent or lease of fixed assets or investments in real estate and rights, extraordinary revenues.

Financial revenues are for example amounts due for dividends and shares in profit, interest from the loans granted, interest on term deposits, default interest, profit on disposal of investment (sale), reduction of revaluation write-offs of investment values in relation to the total or partial termination of causes resulting in permanent loss of their value, positive surplus exchange differences.

Total costs (costs of obtaining revenues from the whole activity) include costs of products, goods and materials sold, other operating and financial costs.

Costs of products, goods and materials sold include cost of products sold (i.e. basic operational costs decreased by the costs of generating benefits for the need of the unit and corrected by change in stock products) and value of goods and materials sold according to procurement or purchase prices.

Other operating costs are costs indirectly related to the unit's operating activity, in particular: loss on disposal of non-financial fixed assets and fixed assets under construction, depreciation of leased or rented fixed assets, unplanned depreciation (impairment charges), penalties, fines, damages, receivables written off partially or fully as a result of bankruptcy, composition or restructuring proceeding, provisions created for certain or highly probable future liabilities (loss on economic transactions in progress), write-offs revaluing non-financial assets, costs of maintaining social facilities, donations or free of charge transferred fixed assets, extraordinary costs.

Financial costs are for example interest on bank credits and loans, interest and discount on bonds issued by the unit, default interest, loss on disposal of investments, revaluation write-offs of investment values, negative surplus exchange differences.

Financial result of the sale of products, goods and materials is the difference between the net revenues from the sale of products, goods and materials and the costs incurred to obtain them (the costs of the products, goods and materials sold).

Financial result from other operating activity is the difference between the other operating revenues and the other operating costs. From 2002 the item contained part of extraordinary events related to operating activity and from 2016 all kind of extraordinary events related to operating activity.

Financial result from operating activity is the difference between total operating revenues and total operating costs.

Result on financial activity is the difference between the financial revenues and the financial costs.

Gross financial result is calculated as the difference of total revenues and total costs – in case of surplus of total costs over total revenues, the financial result is recorded with the sign (-).

Obligatory encumbrances on gross financial result include corporate income tax and other payments under separate regulations. The income tax affecting the financial result includes current and deferred part. The deferred part is the difference between deferred income tax provisions and deferred income tax assets (due to temporary differences between gross financial result and taxable base, resulting from differences in the time of recognition of revenue and cost in accordance with accounting regulations and tax provisions) as at the end and beginning of the reporting period.

Net financial result is a gross financial result reduced by obligatory encumbrances.

Current assets are part of unit-controlled property resources used in operating activities of a reliably determined fair value, arising from past events that will provide the unit with economic benefits in the future. They include stocks (current tangible assets) and short-term: receivables, investments and prepayments and accruals.

Stocks are tangible current assets, which include: materials – raw materials, primary and auxiliary materials, semi-finished third-party products, packaging, spare parts and waste; finished products – final articles, performed services, completed works, including construction and assembly works, research and development works, design works, geodetic and cartographic works, etc.; semi-finished products and work in progress – unfinished production, i.e. production (services, including construction works) in progress and semi-finished products of own production; goods for resale – tangible current assets acquired for resale in unchanged form; advances for deliveries.

Short-term receivables cover total receivables from deliveries and services (regardless of their payment date) and the whole or part of other receivables not included in financial assets that become due within 12 months from the balance sheet date.

Short-term investments cover short-term (current) financial assets, in particular shares, other securities, loans granted, other short-term financial assets, cash and other monetary assets; and other short-term investments.

Short-term prepayments and accruals include deferred costs and deferred revenues to be settled within 12 months from the balance sheet date, as an equivalent of revenues that are not yet receivables as of the balance sheet date from the legal point of view.

Liabilities and provisions for liabilities are obligations resulting from past events to provide benefits of a reliably determined value that will result in usage of the entity's existing or future assets of the unit. They include provisions for liabilities, long-term liabilities, short-term liabilities and prepayments and accruals.

Long-term liabilities other than liabilities from deliveries and services, include liabilities which become due fully or partially more than 12 months after the balance sheet date.

Short-term liabilities (excluding special funds) include all liabilities from deliveries and services and all or part of other liabilities due within 12 months after the balance sheet date.

Cost level indicator is the relation of total costs to total revenues.

Gross sales profitability indicator is the relation of the financial result from the sale of products, goods and materials to the net revenues from the sale of products, goods and materials.

Net sales profitability indicator is the relation of the net financial result to the net revenues from the sale of products, goods and materials.

Gross turnover profitability indicator is the relation of gross financial result to total revenues.

Net turnover profitability indicator is the relation of net financial result to the total revenues.

First degree financial liquidity indicator is the relation of short-term investments to short-term liabilities (excluding special funds).

Second degree financial liquidity indicator is the relation of short-term investments and short-term receivables to short-term liabilities (excluding special funds).

Third degree financial liquidity indicator is the relation of current assets of the units (stocks, short-term receivables, short-term investments and short-term prepayments and accruals) to short-term liabilities (excluding special funds).

Investment outlays are the financial or material expenditures aimed at creating new fixed assets or improving (rebuilding, enlargement, restructuring or modernization) existing fixed assets, as well as outlays on so-called initial equipment for the investment. The investment outlays are divided into outlays on fixed assets and other outlays.

The outlays on fixed assets include expenditures on: buildings and structures (buildings, premises, civil and water engineering structures), including, for example, construction and assembly works, design-cost-estimate documentations, specific drainage; machinery, technical equipment and tools (including instruments, movables and equipment); means of transport; other, i.e. land quality improvements, long-term plantations, livestock and interest on investment credits and loans for the period of the investment implementation.

Other outlays include outlays on the so-called initial equipment for the investment and other costs related to the implementation of the investment. Those outlays do not increase the value of the fixed assets.

Outlays on intangible assets are expenditures on acquired property rights, classified as non-current (fixed) assets, economically viable with an anticipated useful economic life longer than a year, intended for use for the purposes of the unit. In particular, expenditures on: copyright property rights, related property rights, licenses, concessions, rights to inventions, patents, trademarks, utility models, ornamental patterns, and value equivalent to information obtained in the field of industry, commerce, science or organization (know-how), goodwill, costs of completed development work.

Entity with a majority share of foreign capital is the entity in which the share of foreign capital in the share capital exceeds 50%.

The share of foreign capital in the share capital was calculated based on the results of the statistical survey of the activity of entities with foreign capital.

Foreign capital is the capital contributed to the unit in the form of financial resources (cash, shares, bonds), tangible fixed assets (machines, equipment, means of transport, real estate) and intangible assets (patents, licenses, etc.) by a foreign entity. A foreign entity may be: a natural person without Polish citizenship; a legal person located abroad; an organizational unit without legal personality located abroad.

Share capital (fund) is the actual contribution of the owner or co-owner, provided to start up the economic unit at the moment of its establishment, increased later if necessary.